

EXHIBIT H (Part I)



Circuit City Stores, Inc.
Direct Import Vendor Guide
Version 4.0 March 2006



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1. Introduction

At Circuit City, we have a commitment to excellence in every phase of our operations and this philosophy has made us one of the strongest consumer electronics retailers in North America. With each selected vendor, Circuit City enters into a relationship to maintain our high level of quality and service. As part of that relationship, we expect the same commitment from our suppliers. To help you understand our operation and expectations, we present this Direct Import Vendor Guide (the "DIVG").

This Direct Import Vendor Guide contains our policies, procedures and overall requirements for vendors with whom we establish a purchasing relationship for products imported by Circuit City to the United States. Please read these requirements carefully. In some instances, you will be held financially accountable for failure to satisfy these requirements, as more particularly described below. Further, if you are not the manufacturer, certain of these provisions may apply to the manufacturer that you represent and our expectation is that you will communicate the relevant requirements to the manufacturer for compliance.

Compliance with the policies, procedures and requirements of this Direct Import Vendor Guide is a condition of becoming part of our team. Also, as we periodically update this Direct Import Vendor Guide, compliance is a condition to continuing as our business partner. This Direct Import Vendor Guide contains:

- Certain Circuit City vendor requirements for doing business;
- Requirements for compliance with U.S. Customs laws;
- Description of major relevant processes and communication flows for order fulfillment;
- Description of major relevant processes and communication flows for payment;
- Supply Chain Standards that will be used to measure vendor performance (with associated liquidated damages assessments for failure to comply); and
- Samples and descriptions of documents.

After you have reviewed this Direct Import Vendor Guide, we ask that your authorized representative sign the Vendor Guide Acknowledgment and Agreement and the C-TPAT Security Questionnaire and Acknowledgment forms which are located at the end of this DIVG and return them to us. Periodically, Circuit City will review the information contained in this Direct Import Vendor Guide and identify areas that need to be updated or added to ensure that it continually serves as a thorough resource for you and the management of your operations. At such time as we make updates, we will release a revised version for your acknowledgment and agreement.

It is important to recognize that this Direct Import Vendor Guide is not intended to be the exclusive document governing the business relationship between you and Circuit City. It is Circuit City's policy to execute a contract with its vendors which sets forth the principal terms and conditions of the purchase and sale of product between you and Circuit City (the "Primary Contract"). This Direct Import Vendor Guide shall be incorporated by reference into the Primary Contract, and it shall apply only to the extent that there is no conflict with the Primary Contract. In the event of such conflict, the terms and conditions of the Primary Contract shall control unless otherwise specified. In the event that a Primary Contract is not executed, this Direct Import Vendor Guide shall nevertheless bind you to the terms stated herein.



2. Primary Contacts

Key contacts are listed below for Circuit City and its Freight Forwarder. Vendor should not contact Circuit City's Customs Broker or its Ocean or Air Freight Carriers directly, unless specifically authorized by Circuit City.

Circuit City Direct Import Operations (USA):

Domestic Contact (USA)

<p>For issues related to Freight movement:</p> <p>Circuit City Stores, Inc. Import Operations Group Attn: Carol Lacks 9950 Mayland Drive Richmond, VA 23233 United States Email: import_operations@circultcity.com Phone: +1 804-527-4000, extension 3987 Fax: +1 804-342-6455 or Fax: +1 804-527-4110</p>	<p>For issues related to US Customs:</p> <p>Circuit City Stores, Inc. Customs Compliance Dept. Attn: Rolando Peral 9950 Mayland Drive Richmond, VA 23236 Email: customs_compliance@circultcity.com Phone: +1 804-527-4000, extension 8585 Fax: +1 804-342-6455</p>
<p>For EDI Inquiries:</p> <p>Email: EDI@circultcity.com</p>	<p>For all other issues:</p> <p>Circuit City Stores, Inc. Sourcing Services Group DR 1, 2nd Floor 9950 Mayland Drive Richmond, VA 23233 United States Email: Best_Sourcing@circultcity.com Phone: +1 804-527-4000, extension 3236 Fax: +1 804-342-6455</p>



FREIGHT FORWARDER CONTACT LIST: APL LOGISTICS ORIGIN CONTACTS	ACCT REPS EMAIL/Tel #	SUPERVISOR EMAIL/Tel#
Hong Kong	Roberta_Yu@aplogistics.com Tel# 852-23027386 Fax# 852-23773707	Connie_Fong@aplogistics.com Tel# 852-23027484 Fax# 852-23773707
Keelung, Taiwan Taichung, Taiwan	Linda_chen@aplogistics.com Tel: 886-2-2514-5947 Fax# 886-2-25140814	Anne_chuo@aplogistics.com Tel: 886-2-2514-5942 Fax# 886-2-2514-0814
Busan, Korea	K_J_Hong@aplogistics.com Tel# (82) 2-772-0627 Fax# 82-2-313-2080	T_H_Lee@aplogistics.com Tel# (82) 2-772-0613 Fax# 82-2-313-2981
Bangkok, Thailand	Arineaporn_Viriyaprasak@aplogistics.com Tel. 66-2-661-5050 x8431 Fax# 66-661-5071	Sompit_Thongkum@aplogistics.com Tel# 66-2-6615050 x8434 Fax# 66-2-6615071
Ningbo, PRC Shanghai, PRC	Echo_jin@aplogistics.com Tel# 86-21-23012824 Fax# 86-21-63403530	Shirley_zhou@aplogistics.com Tel# 86-21-23012821 86-21-63403530
Xiamen, PRC	Meg_chang@aplogistics.com Tel# 86-592-5698677 ext 604 Fax#	Helen_wu@aplogistics.com TEL# 86-592-5698677 ext 602
Yantian, PRC Shenzhen, PRC	Alina_Qian@aplogistics.com Tel# 86-755-25280770 Fax# 86-755-25280754	Anna_Zhou@aplogistics.com Tel# 86-755-25280740 Fax# 86-755-25280754
Penang, MALAYSIA	Moy_Lee@aplogistics.com Tel. 60-4-2289898 Fax. 60-4-2299898	Catherine_Tan@aplogistics.com Tel: 60-3-55133988
Port Klang, MALAYSIA	Kulivan_Rajoo@aplogistics.com Christyn_Yap@aplogistics.com Tel. 60-3-55172889 Fax 60-3-55133989	Catherine_Tan@aplogistics.com Tel: 60-3-55133988
Jakarta, INDONESIA	Dina_panjaitan@aplogistics.com Tel: 62-21-3836471 Fax : 62-21-3451603	Tri_widyayu@aplogistics.com Tel: 62-21-3836462 Fax : 62-21-3451603
Surabaya, INDONESIA	Bagus Widyanjoko Bagus_widyanjoko@aplogistics.com Tel : 62-31-3557690 Fax : 62-31-3542412	Mohammed Hotil Mohammad_hotil@aplogistics.com Tel : 62-31-3557690 Fax : 62-31-3542412



3. Circuit City Policies and Procedures

In addition to the terms and conditions contained in any applicable Primary Contract between you and Circuit City related to the purchase and sale of goods, Circuit City has established certain policies and procedures with which it expects its vendors to comply. In some instances, the policies and procedures set forth in this Direct Import Vendor Guide may elaborate on the requirements contained in the applicable Primary Contract. In other cases, these policies and procedures are a reflection of laws and regulations with which Circuit City must comply in order to enter the goods through U.S. Customs and Border Protection, and to resell the goods.

More specifically, the policies and procedures in this Direct Import Vendor Guide include:

- Expectations for vendor compliance with the U.S. Customs Trade Partnership Against Terrorism Initiative ("C-TPAT")
- Provision for Factory Audits
- Provision for Product Inspections
- Provision for Product Certifications for Compliance with Laws
- Requirements of Product Certification and Markings for Country of Origin and
- Requirements for Outer Carton Markings in connection with shipment

3.1 C-TPAT

C-TPAT is a U.S. government-business initiative launched to strengthen supply chain security. Through this initiative, US Customs & Border Protection is asking businesses to ensure the integrity of their security practices and communicate their security guidelines to their business partners within the supply chain.

As part of our ongoing process, Circuit City assesses its own security practices to ensure a secure and efficient international supply chain. Part of our continued commitment to this program is ensuring our vendor partners adhere to the security criteria published by Customs. In appendix 7.4 you will find the latest version published by Customs titled, C-TPAT Security Criteria. We strongly encourage you to review and compare your existing security practices with those in the appendix and take appropriate action. As an integral part of our supply chain, your commitment to the following is vital:

1. If you are shipping products to the US for Circuit City, forward a copy of Section 3.1, C-TPAT of this vendor guide along with the security criteria in Section 7.4, to a company representative. This representative should have ample knowledge about your security and shipments to Circuit City.
2. Read the enclosed security criteria and communicate it to members of your organization who ship, coordinate, load, or handle products for Circuit City. Afterwards, answer the questions in the Supply Chain Security Acknowledgement found at the end of this document.
3. Return the acknowledgement signed by an authorized representative of your company via fax to (804) 342-5455 or e-mail to tdimport_operations@circultcity.com customs_compliance@circultcity.com.

Further, as a Circuit City vendor it is our expectation that you will consent (and/or obtain your manufacturer's consent) to on site security inspection(s) of the manufacturing facility(s) and work with Circuit City staff to address any security vulnerabilities. The security inspection(s) will be performed by a third party Inspection Service Provider.

If you have any questions or concerns, please contact Rolando Portal at 804-527-4000 ext. 8535 or via e-mail at customs_compliance@circultcity.com. For the latest information on C-TPAT or general information on the program, please visit Customs' website at <http://www.cbp.gov>.

3.2 Factory Audits

Circuit City reserves the right to conduct announced and unannounced factory audits on as needed basis through an authorized third party inspection services provider. The purpose is to ensure that factories adhere to mutually agreed quality, health, environmental, safety and labor standards. In addition, the factory audit will verify Circuit City's standards for social responsibility. All costs associated with the factory audit will be at the expense of the vendor.

The factory audit process shall proceed as follows:

1. Circuit City will make the audit request to the factory. The request will include all necessary information and a request for pre-payment for the costs of the audit.
2. The factory is required to remit payment for the audit prior to audit scheduling, within five (5) business days of the request for audit. Payments should be made payable to Circuit City Stores, Inc. and should be sent to the following address:

Circuit City Stores, Inc.
Attn: Sourcing Services Operations Manager
Deep Run Ist Floor
9950 Mayland Drive
Richmond, Virginia, U.S.A. 23233

3. The inspection services provider will contact the factory to arrange the factory audit at a time mutually agreeable to both parties, but in any case within 10 business days from initial request.
4. The inspection services provider shall conduct an inspection of the factory. Vendors are required to ensure the auditors have access to all factory premises and materials.

5. The inspection services provider shall issue a factory audit report and send the results to Circuit City and the vendor.

6. **The Factory Audit Inspection.** If the factory fails inspection, the inspection services provider shall issue an inspection failure notice to the vendor and Circuit City. Upon receipt of an inspection failure notice, Circuit City shall decide whether the goods produced at the factory shall be placed on hold (i.e. manufacturing shall cease) or whether it will continue purchasing the goods while remedial action is pursued or whether Circuit City will terminate any open PO's and the contract. If directed by Circuit City, the inspection services provider shall conduct the factory audit and the vendor to order to identify the root-cause of the failure and develop the corrective action plan. The factory shall implement such remedial action plan on a timely basis. Any cost incurred to correct inspection violations will be at the expense of the vendor. A re-audit may be performed at Circuit City's request to ensure all violations have been resolved to Circuit City's satisfaction. Upon passing of the re-audit, the inspection services provider shall issue an inspection approval notice to the vendor and Circuit City and any hold on orders shall be released.
7. **Factory Passes Inspection.** If the factory passes inspection, the inspection services provider shall issue an inspection approval notice to the vendor and Circuit City.

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3.3 Product Inspections

All products ordered by Circuit City under a Purchase Order may be inspected any time prior to delivery to Circuit City's Freight Forwarder or during loading of the goods for shipping. Such inspections may be announced or unannounced, and shall be performed by Circuit City's designated third party Inspection Service Provider. The primary purpose of the inspection is to capture any product quality issues as early as possible in the manufacturing and shipping process, in particular while the product is still at the factory.

Below are the product inspection process steps:

1. Vendor is contacted by Inspection Service Provider to make appointment for product inspection (for unannounced inspections).
2. Inspection Service Provider conducts on-site inspection of goods. Vendors will be responsible for all charges in the event that (i) the vendor cancels an unannounced inspection with less than one day's notice prior to the appointment date, or (ii) fails to have no less than 80% of completed, packed units ready for inspection.
 - a. If Goods Fail Inspection. If the goods fail inspection, the Inspection Service Provider issues an Inspection Failure Notice to the vendor, the Freight Forwarder and Circuit City. Upon receipt of an inspection failure notice, shipment of the product shall be held and any freight bookings will be suspended. Circuit City, at its discretion may refuse receipt of the goods and cancel the PO. Or, Circuit City will initiate discussions with vendor to identify root cause of the failure and develop a remedial action plan. The factory shall implement such remedial action plan on a timely basis. Any cost incurred to correct issues cited in the Inspection Failure Notice will be at the expense of the vendor.
 - b. If Goods Pass Inspection. If the goods pass inspection, the Inspection Service Provider shall issue an Inspection Certificate to the vendor and Circuit City.

All import vendors are required to provide Circuit City with product specifications for all models that are purchased by Circuit City. Such product specifications should be delivered to the Import Operations Department at the address set forth in Chapter 2 of this Direct Import Vendor Guide. Among other things, the Inspection Service Provider will monitor adherence to your supplied product specification as part of the product inspection process.



3.4 Product Compliance with Laws

Vendor represents and warrants that it shall comply with all applicable national, state and local laws and regulations of all applicable countries and jurisdictions in performing its obligations hereunder. Vendor further represents and warrants that the Products will have been designed, manufactured, sold, and delivered hereunder in strict accordance with all applicable laws, regulations and codes to which the Products are subject, and that such Products will comply with and are manufactured in accordance with the provisions of all United States federal and state laws, rules and regulations, including without limitation environmental laws and regulatory agency requirements (such as Food and Drug Administration and Federal Communications Commission). If Vendor discovers any such noncompliance, it shall immediately notify Circuit City of such breach in writing, explaining the circumstances and identifying the Product(s) involved.

In our experience, the following four (4) state laws require particular attention for compliance by our vendors as they may apply to the particular product. This list is not intended to be exhaustive of all state laws to which the vendor must adhere in its manufacture of goods for resale.

California Proposition 65 Requirements for Wire and Cable Manufacturers

Circuit City is committed to supporting the efforts and goals of California respecting Proposition 65. We request that you evaluate the manufacturing and raw material practices of each factory from which you produce and ship product to Circuit City. It is Circuit City's goal that all Manufacturers use environmentally friendly raw materials in the processing of wire and cable products for Circuit City orders. Please refer to the Proposition 65 website at www.oehha.ca.gov/prop65.html to ensure your products meet these requirements.

California Right Plastic Packaging Container Law

The California State Legislature enacted the rigid plastic packaging container (RPPC) law as part of an effort to reduce the amount of plastic waste disposed in California landfills and increase the use of recycled plastic. The law regulates companies who produce or generate products that are held in RPPCs, which are sold or offered for sale in California. RPPC containers are made entirely of plastic, except for lids, caps, or labels, which can maintain their shape while holding a product. RPPCs are only governed by this law to the extent they have a capacity of at least 8 fluid ounces but no more than 5 gallons, or the equivalent volumes. Manufacturers must demonstrate compliance by producing containers that are made from at least 25 percent postconsumer resin. The detailed RPPC regulations are available online at: www.chwmb.ca.gov/regulations/title14/ch44a.htm.

Maine Electronics Waste Law

Beginning July 10, 2006, certain computer monitors and televisions generated as waste by households in Maine must be recycled. Vendors must provide Circuit City with all product specifications and other information necessary to satisfy its reporting requirements under this law. Circuit City will work cooperatively with vendors to ensure implementation of a practical and feasible financing system. The details of the Maine Electronics Waste Law are available online at: www.maine.gov/dep/ewm/ewmawaste/.

Maryland Statewide Computer Recycling Pilot Program

This Maryland law requires computer manufacturers to register with the Maryland Department of the Environment and pay a registration fee if they intend to sell computers in Maryland on or after January 1, 2006. Vendors must provide Circuit City with all product specifications and other information necessary to satisfy its reporting requirements under this law. The details of the Maryland Statewide Computer Recycling Pilot Program are available online at: www.state.md.us/programs/andPrograms/Recycling/SpecialProjects/recycling.asp.



3.5 Country of Origin Markings

All goods manufactured abroad and imported into the United States shall be marked in a conspicuous place as legibly, indelibly, and permanently as the nature of the article (or container) will permit, in such manner as to indicate to an ultimate purchaser in the United States the English name of the country of origin.

In the case of "Shelf Packaging" for Circuit City Private Brand product, if the Circuit City Stores, Inc. name and address appears on the package, the country of origin must be in close proximity.

For further explanation of country of origin markings, please refer to Title 19, Customs Regulations Part 134 or contact the Circuit City Customs Compliance Department.



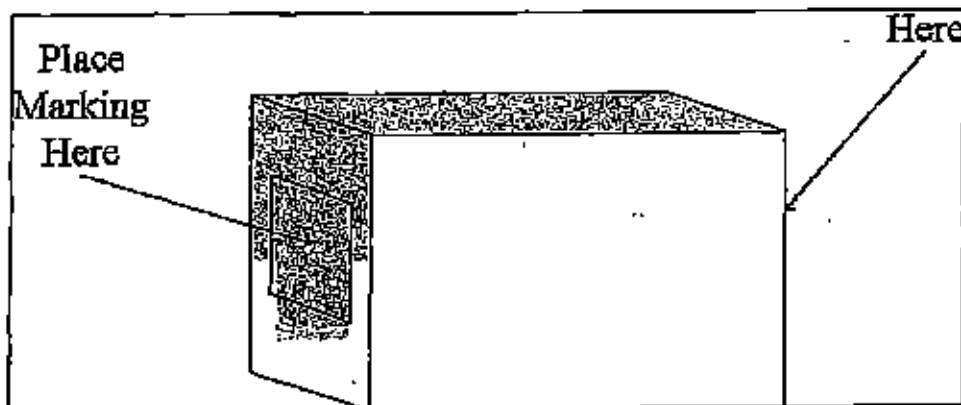
3.6 Outer Carton Markings

Carton markings must be printed in black ink on two opposite sides of the carton as indicated in the diagram below. These markings may be printed directly on the carton or on an adhesive label permanently affixed to the carton. Any adhesive label must be able to maintain adhesion during moisture levels common to ocean travel. These markings include:

Sample Carton Label

Circuit City P.O. #		1234567
Circuit City Model (SKU) #		ABC123
Unit Count per Carton	12	pieces
Carton #	1	of 1500
Gross Weight	35	pounds
Carton Dimensions (inches): 6 length x 6 width x 7 height		
Made in China		

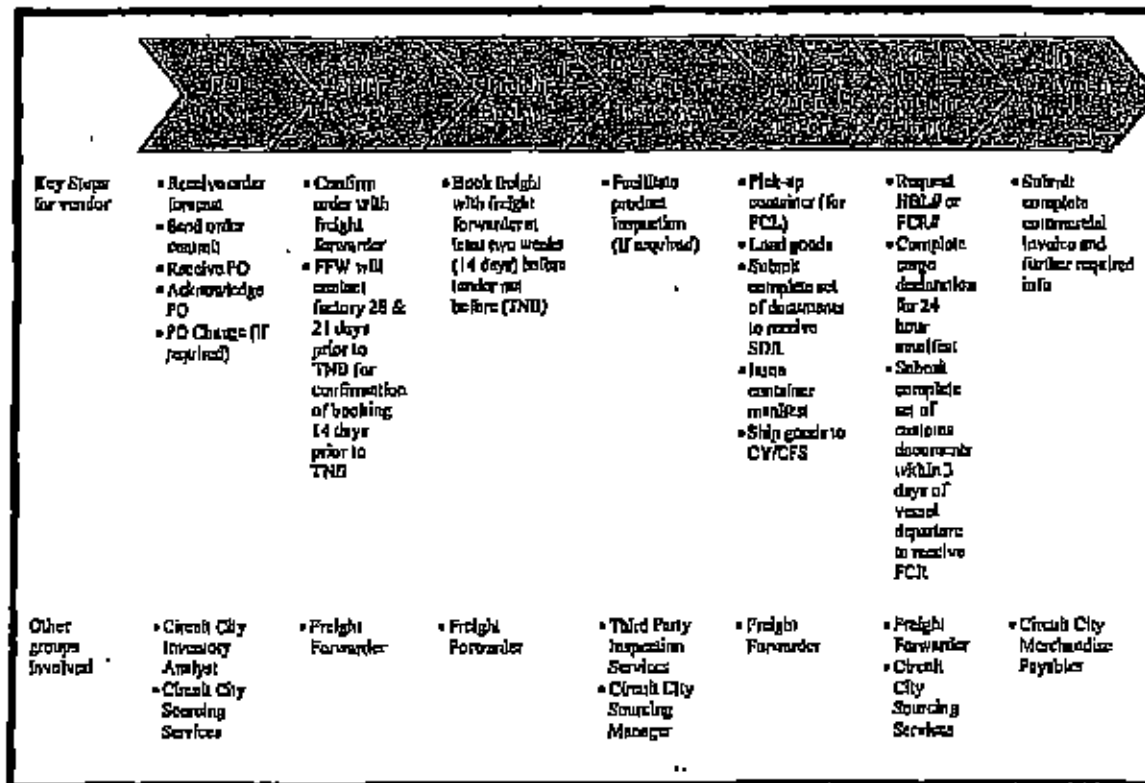
Location of Carton Marking:





4. Order Fulfillment

This section outlines Circuit City's expectations regarding the order fulfillment process. The graphics below gives an overview of the key process steps, and each process is described in more particular detail following the graphic:



4.1 Purchase Order (PO) Process

Direct Import product orders are achieved according to the following purchase order process:

1. Order Forecast

Circuit City will send out a rolling order forecast to its vendors on a bi-weekly or monthly basis (depending on the vendor's order cycle) through BDI 830. This order forecast provides information about the weekly item quantities Circuit City forecasts to order over the next 27 weeks. It also shows the quantities Circuit City commits to order within the "order look period" closest to the actual issue date of the Purchase Order. Circuit City shall not provide an order forecast for single purchases of a quantity of product, or in the event that there are no forecasted orders within

the succeeding 27 week period.

2. Order Commitment

Circuit City shall request that the vendor commit to the order quantities within the order lock period and four additional weeks out. The Vendor will provide this information through an EDI 830, e-mail or facsimile to Circuit City.

3. Purchase Order (PO)

Circuit City shall initiate an order by sending a Purchase Order to the vendor, which contains the quantities, ship dates, and final destination of the goods described in the PO. The PO supplements the master agreement or other contract governing the purchase and sale of the products, and provides additional detail regarding the product actually purchased and contains terms for fulfilling the specific product order. Circuit City will send an EDI 850 Purchase Order document electronically via EDI. CC EDI standard is ASC X12 v4010. Vendor shall designate a central order person, as well as an alternate, who will receive Purchase Orders, and be available to service Circuit City on a consistent basis for each product category purchased by Circuit City.

4. PO Acknowledgement

All EDI documents delivered to a vendor require a 997 Functional Acknowledgement. Best practice is to return the 997 Functional Acknowledgement immediately after receipt of the Purchase Order. This indicates that the vendor agrees with the terms of the Purchase Order. In the event that the vendor fails to send the 997 Functional Acknowledgement within 12 hours of receipt of the Purchase Order, the vendor is deemed to have accepted the Purchase Order.

5. PO Change Order

To make any changes to the quantities and/or ship dates of the original PO after it has been acknowledged, Circuit City will send an EDI 860 PO Change document via EDI to the vendor. A 997 Functional Acknowledgement should be sent by the vendor to confirm agreement to the change.

Samples of key documents and their descriptions are included in the Appendix. However, because the Purchase Order (PO) is one of the most critical of these documents, a definition of its data elements is included below:

EDI Data Element	Description	EDISetting and Usage
BEG01	Purchase Order Number	Unique PO Identifier assigned by Circuit City Stores, Inc.
N902	Internal Vendor Number	Unique supplier identification number assigned by Circuit City Stores, Inc.

PO Item Reference	Description	CSS Item name and number
PO107	Buyer's Model Number	Model number assigned by Circuit City Stores, Inc.
PO102	Quantity Ordered	Total number of units for this model on the PO
BEG05	Purchase Order date	Date PO was created
PER02	Information Contact	Circuit City Inventory Analyst (IA) name
PO104	Unit Price	Price of each unit in US\$ Invoice price, before any discounts
FOB02	P.O.B.	Freight On Board "OR" = origin "DB" = destination Indicates the point at which ownership of goods transfers from vendor to Circuit City Stores, Inc. Consequently, also indicates who is responsible for payment of freight. See Incoterms definitions section of this guide, Section 6.2.
DTM02	Start [date]	Tender Not Before (TNB) This is the first date the vendor can tender goods (bring containers) to the Container Yard. For less than full container load shipments: date on or after which goods should be available at the Container Freight Station (CFS) for loading on a vessel sailing.
DTM02	End [date]	Tender Not After (TNA) This is the last date the vendor can tender goods (bring containers) to the Container Yard.
N104	Ship-to	Circuit City's U.S. Distribution Center number
DTM02	Delivery Requested [date]	Expected Receipt Date (ERD) Date which goods are expected to be received at Circuit City's U.S. location
DTM02	Do Not Deliver Before [date]	Date on or after which goods should arrive at Circuit City's U.S. facility
DTM02	Do Not Deliver After [date]	Date on or before which goods should arrive at Circuit City's U.S. facility

EDI Data Element	Description	EDI Meaning and Usage
FOB01	Shipments Method of Payment	Terms of the freight cost. 'P' = prepaid by seller 'C' = collect
PO101	PO Line Item #	Sequential PO line number for easier reference while reading PO
BCH01 (POC only)	Transaction and purpose code	Code indicating the type of Purchase Order Change '01' = Cancellation '04' = Change '06' = Confirmation
BCH06 (POC only)	Purchase Order date	Original creation date of the PO referenced by this PO Change
BCH11 (POC only)	Change request date	Creation date of the PO Change
POC02 (POC only)	Change Type Code	Type of change: 'AI' = additional items 'QD' = decrease quantity 'QI' = increase quantity 'PC' = price change 'DI' = delete item(s) 'CT' = change of date
POC02 (POC only)	Change Code	New quantity in cases where changes have to be made
POC03 (POC only)	Quantity Ordered	Current (net) amount on order before the change quantity is applied.
POC04 (POC only)	Quantity Left to Receive	Quantity to be submitted or added to the quantity ordered, based on POC02 code

4.2 Order Review

Circuit City's Freight Forwarder shall confirm the shipment of open Purchase Orders with the vendor no later than two weeks after the vendor acknowledged the PO by sending a PO Acknowledgment to Circuit City. The objective is to ensure that any shipment delays are identified early enough in the process to allow the vendor and Circuit City to initiate appropriate remedial action. Below are the process steps that vendors are required to follow in connection with the Freight Forwarder's order review:

1. Circuit City's Freight Forwarder shall contact vendor, by email or phone, at least 28 days and again 21 days prior to TNB for confirmation of freight booking 14 days prior to the TNB. This is to confirm if the PO is still on schedule for shipping.
2. Vendor confirms that PO is still on schedule with Freight Forwarder via e-mail or phone.
3. If PO is still on schedule for shipping, Freight Forwarder records confirmation for overall shipment tracking.
4. If PO is not on schedule, Freight Forwarder informs Circuit City via e-mail and records information for shipment tracking. Circuit City shall initiate discussion with vendor to determine a) reason for delay and b) revised shipment date. If necessary, Circuit City shall send a PO Change document to vendor and Freight Forwarder to communicate changes in PO details. Circuit City shall identify any financial assessments associated with delayed shipment as outlined in the Supply Chain Standards section of this Guide.

4.3 Freight Booking

The vendor is required to make freight bookings in advance of the Tender Not Before (TNB) date through Circuit City's designated Freight Forwarder as specified below. If the vendor cannot ship the exact items and quantity as prescribed in the PO, the vendor is expected to immediately inform Circuit City and the Freight Forwarder. The vendor cannot substitute with other goods not listed in the PO without prior authorization by Circuit City. The Freight Forwarder will only accept freight bookings that comply with the following process steps.

Full Container Load (FCL)/Ocean Freight

The vendor is responsible for full utilization of containers. Below are the freight booking process steps for Full Container Load (FCL) shipments, which is Circuit City's preferred method of shipment:

1. Vendor completes and sends Booking Request form (see Appendix to this Guide) to Freight Forwarder, via e-mail or fax at least 14 days before Tender Not Before (TNB) date.
2. Freight Forwarder reviews Booking Request form to confirm alignment with a) PO details and b) Circuit City FCL volume/weight requirements (as below).
 - a. If Booking Request form meets all requirements, Freight Forwarder makes booking with ocean carrier.
 - b. Freight Forwarder will review booking request with the Carrier. All goods are required to set sail within the PO Ship Window.



- c. If Booking Request form does not meet all requirements, booking is put on hold and Freight Forwarder send a Booking discrepancy form to Circuit City and to the vendor. Circuit City will then initiate a discussion with the vendor and together will determine a resolution. Once the discrepancy is resolved, Circuit City shall authorize Freight Forwarder to make booking with ocean carrier.

Container Type	Minimum Cubic Meters	Maximum KG
20' (by exception only)	27	17,000
40' standard	53	19,500
40'HC	64	19,500
45'	73	19,500

3. Freight forwarder issues Shipping Order to vendor via fax or e-mail.
4. Vendor presents Shipping Order to pick-up container at the designated ocean carrier Container Yard

If the vendor fails to utilize the minimum cubic meter, Circuit City Stores, Inc. may file an under-load claim against the vendor. If Circuit City Stores, Inc. issues the PO for sufficient full container load (FCL) quantities, and the vendor fails to load according to the above guidelines, a chargeback may be initiated against the vendor to recover the difference of the FCL charge and the actual cargo load CBM's. The claim will be based on the number of under-used CBM's.

Less Than Container Load (LCL)/Ocean Freight

Less Than Container Load (LCL) shipments should be used if quantities are not sufficient to fill full containers, and only upon prior approval by Circuit City. Below is the LCL shipment freight booking process:

1. Vendor completes and sends Booking Request form to Freight Forwarder, via e-mail or fax at least 21 days before Tender Not Before (TNB) date.
2. Freight Forwarder reviews Booking Request form to confirm alignment with PO details.
 - (a) If Booking Request form meets all requirements, Freight Forwarder schedules receipt at Container Freight Station (CFS) and makes booking with ocean carrier.
 - (b) If Booking Request form does not meet all requirements, booking is put on hold and Freight Forwarder informs Circuit City of discrepancy details. Circuit City will then initiate a discussion with the vendor and together will determine a resolution. Once the discrepancy is resolved, Circuit City shall authorize Freight Forwarder to schedule receipt at Container Freight Station (CFS) and make booking with ocean carrier.
3. Freight Forwarder issues Shipping Order to vendor via fax or email.
4. Vendor presents Booking Reference sheet to drop-off LCL shipment at CFS.



Air Freight

Air shipments will be used only on an exception basis and require written pre-authorization by Circuit City. In the event that vendor misses a sailing for an ocean freight order, the vendor may ship product by air freight using Circuit City's preferred carrier(s); provided, however that Circuit City may charge vendor for incremental cost due to use of air freight. Below is the freight booking process steps for air freight shipments:

1. Circuit City will advise its Freight Forwarder that product under PO is to ship via air freight.
2. Vendor informs Freight Forwarder of cargo ready date for specific POs, at least five (5) days before plane departure.
3. Freight Forwarder reviews air freight booking request document, to confirm alignment with PO details.
 - (a) If air freight booking documents meet all requirements, Freight Forwarder makes booking with air carrier.
 - (b) If air freight booking request document does not meet all requirements, shipment is put on hold and Freight Forwarder informs Circuit City of mismatch details. Circuit City will then initiate a discussion with the vendor and together will determine a resolution. Once mismatch is resolved, Circuit City shall authorize Freight Forwarder to make booking with air carrier.
4. Freight Forwarder issues air freight reference number to vendor via fax or e-mail.
5. Vendor presents Shipping Order to drop-off LCL shipment at air carrier site.

4.4 Loading and Delivery to Port or Airport

Below are general policies that vendors must follow when loading and delivering containers for shipment. Any deviation from these policies may result in associated financial assessments as provided in the Supply Chain Standards section of this Guide.

Container Loading (For Ocean Freight)

1. Floor loaded containers only, NO pallets nor slip sheets are permitted.
2. Seven point container inspection. See Section 7.4.3 of the Appendix.
3. Only goods that are clearly specified in the PO should be shipped. Do not substitute with items not on the PO. Any changes to PO quantity and type of goods need prior approval from Circuit City Stores Inc.
4. Containers should be loaded grouped first by PO and then by SKU.
5. If multiple POs are loaded into the same container, ensure that all cartons from the first PO are fully loaded before loading the following PO and so on.
6. If a PO contains multiple SKUs, ensure that all cartons from the first SKU are fully loaded before loading the following SKU and so on.

7. POs should not be split across more than one container, unless PO quantity actually exceeds container capacity.
8. If PO quantity exceeds container capacity, but remaining goods (overflow) are not enough to fill another container, this overflow should not be shipped until it can be combined with other goods to fill a container. Overflow may also be shipped via LCL with prior approval from Circuit City Stores, Inc.

Container Manifest (for Ocean Freight)

A Container Manifest (CM) as described in the Appendix should be prepared for each container, in accordance with the following policies:

1. A copy of the CM should be inserted in a weatherproof pouch and attached to the inside door of the container door.
2. Additionally, the CM should be sent to the Freight Forwarder, via e-mail or fax, within 24 hours of shipment from factory.

FCL Delivery to Port Process (for Ocean Freight)

Vendors must comply with the following policies when delivering FCL containers for ocean freight shipping:

1. Vendor picks-up container from ocean carrier's Container Yard (CY) using the Shipping Order issued by the Freight Forwarder.
2. If inspection at loading is required, Inspection Service Provider inspects goods.
3. Vendor completes loading of container following Circuit City's container loading policies.
4. Vendor attaches Container Manifest to inside of container door and container is sealed.
5. Vendor drays/delivers container to ocean carrier CY.
6. Upon receipt of containers, ocean carrier issues a delivery receipt (or proof of delivery) to vendor.

LCL Delivery to Container Freight Station (CFS) Process (for Ocean Freight)

Vendors must comply with the following policies when delivering LCL product to a Container Freight Station for ocean freight shipping:



1. If inspection at loading is required, the Inspection Service Provider inspects goods.
2. Once goods pass inspection, vendor completes loading of truck.
3. Vendor ships goods to CFS.
4. Vendor drops goods at CFS using booking reference number provided by Freight Forwarder.
5. Freight Forwarder receives goods and inspects goods for quantity and quality.
6. Upon confirmation of quantity and quality, Freight Forwarder issues a delivery receipt (or proof of delivery) to vendor.

Air Freight Delivery to Air Carrier Ship Process (for Air Freight)

Vendors must comply with the following policies when delivering product for air freight shipping:

1. If inspection at loading is required, the Inspection Service Provider inspects goods.
2. Vendor loads truck.
3. Vendor ships goods to air carrier aka.
4. Vendor drops goods at air carrier using air freight reference number provided by Freight Forwarder.
5. Upon receipt of goods, air carrier issues a delivery receipt (or proof of delivery) to vendor.

4.5 U.S. Customs Clearance

Timely and accurate submission of documents is as important to the direct import process as delivery of goods. To avoid possible penalties for late document submission, submit the necessary customs documents as early as possible to Circuit City. Below are the process steps to ensure that all necessary documents are received timely in order to clear U.S. Customs.

Follow the steps outlined below to ensure that all required documents are received timely and processed for import.

A. Ocean Freight Customs Clearance

1. Documents should be prepared as containers are being loaded for FCL or right after booking for LCL. Documents should be submitted immediately to Circuit City for approval and issuance of Shipping Document Receipts (SDRs.) In order to allow ample time for processing SDR request, Vendor should submit documents 7-10 days prior to vessel STD.
2. See Appendix 7.3 for SDR Procedures for Vendors.
3. Vendor submits to Freight Forwarder the following commercial documents within 3 days of vessel departure.



- (a) Commercial Invoice (CI) (See Appendix for Invoice Requirements)
 - (b) Packing List (See Appendix for Packing List Requirements)
 - (c) Declaration of Origin
 - (d) Shipping Document Receipt (SDR)
 - (e) Beneficiary signed statement (attesting to container manifests) should be attached to the inside of the container doors.
 - (f) Container Manifest (CM)
 - (g) FDA Form 2877 (U.S. Food and Drug Administration) if required
 - (h) FCC Form 740 (U.S. Federal Communications Commission) if required
 - (i) Other government agency certificates, with vendor submitting copies of such documents to Circuit City via fax or e-mail.
4. Upon receipt and verification of the above commercial documents, Freight Forwarder issues to vendor Forwarder's Cargo Receipt (FCR).
 5. If documents are not received by Freight Forwarder within three (3) days after vessel sail date, Freight Forwarder sends a Documents Delay Notice (DDN) (see form in Appendix) to vendor with copy to Circuit City. Circuit City will apply the appropriate financial assessment as set forth in the Supply Chain Standards section of this Guide.
 6. Delayed document assessments apply in the following amounts:
 - a. 1st offense \$150.00
 - b. 2nd offense \$250.00
 - c. 3rd offense \$500.00 on going
 7. Circuit City and Freight Forwarder follow-up with vendor to collect documents. Prompt submission of customs documentation will avoid financial assessment penalties charged to the vendor.
 8. When vendor submits complete and accurate documents to Freight Forwarder in response to DDN, Freight Forwarder issues a Delayed Documents Arrival (DDA) (see form in Appendix) notice to vendor and Circuit City.

Please Note: No direct communication between the vendor and Circuit City's assigned Customs Broker is permitted unless first approved by the Circuit City Customs Compliance Department.

B. Air Freight Customs Clearance

Due to the shorter transit times of air freight, commercial documents (as listed above) must be submitted in original to the Freight Forwarder prior to take-off. A duplicate set should be submitted to Circuit City for review.

Note: Shipper's Document Receipt (SDR) is not required for air freight.



C. Declaration of Origin:

A signed statement asserting to the origin of the imported product is required on vendor's or manufacturer's letterhead.

D. Forced, Convict or Indentured Child Labor

All vendors must certify and state the following on their invoices:

"We certify that all merchandise sold to Circuit City Stores, Inc., does not and will not employ forced labor, convict labor, or indentured child labor in any stage of its mining, production or manufacture."

E. Wood Packaging Material

All vendors must certify and state the following on their invoices:

"We certify that this shipment contains no solid wood packing material."

F. Beneficiary Signed Statement:

For CY loads: A signed statement on vendor letterhead stating "that a copy of the correct container manifest has been attached to the inside of each container door in a waterproof pouch."

G. Forwarders Cargo Receipt

1. Upon receipt of goods accompanied by complete and accurate receipt of U.S. Customs documents, Freight Forwarder shall issue a Forwarders Cargo Receipt (FCR) to vendor.
2. If vendor is set up for payment via Letter of Credit, freight forwarder issues three original FCRs. One copy is retained by the Freight Forwarder, one copy is provided to the vendor, and one copy is provided to Circuit City.
3. "Consignee" in the Forwarders Cargo Receipt is as below:

Circuit City Stores, Inc.
Attn: Carol Lucke
9950 Mayland Drive
DR-1 / 4th Flr.-Logistics dept.
Richmond, VA 23233
United States

4. "Notify Party" in the Forwarders Cargo Receipt is as below:

Circuit City Stores, Inc.
Attn: Carol Lucke
9950 Mayland Drive
DR-1 / 4th Flr.-Logistics dept.
Richmond, VA 23233
United States



And

Circuit City Stores, Inc.
Distribution Center #717
501 S. Cheryl Lane
Walnut, CA 91789
United States
Attn: Edgar Salgado or Kristina Orner

And

Carmichael International Services
533 Glendale Blvd.
Los Angeles, CA 90026
Attn: Danny Chanlin - Import Mgr
213-353-0800

5. "Forwarding Agent" in the Forwarders Cargo Receipt is as below:

Carmichael International Services
533 Glendale Blvd.
Los Angeles, CA 90026
Attn: Danny Chanlin - Import Mgr
213-353-0800

H. 24-Hour Advanced Manifest

Effective December 2, 2002, U.S. Customs requires that all carriers submit cargo declaration details 24 hours before cargo is laden on board. This is one of many steps that U.S. Customs is taking to ensure higher levels of security. In order to ensure compliance, vendors are required to submit complete cargo declarations (including packing list and goods classifications) 7 days before scheduled vessel sail date. Vendors that do not submit the required information will have their booking cancelled and will be subject to financial assessments for late shipment.

5. Vendor Payment

5.1 Contact Information

In an effort to ensure prompt and accurate payments and deductions on your account, Circuit City requires compliance with the guidelines set forth in this Section 4. Any questions regarding these payment guidelines and

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any further communications regarding payment should be directed to:

Circuit City Stores, Inc.
Merchandise Payables, DR3
9954 Mayland Drive
Richmond, VA 23233
Tel: 804-527-4000 ext. 3324
Fax: 804-527-4170

In addition, Circuit City provides an Interactive Voice Response Unit (IVR) which can provide efficient response for many routine account payable questions. The IVR can be reached at: 1-804-418-8148. It is necessary that you enter your 10 digit vendor number to access account information.

We ask that you provide a specific contact person for payment/billing matters, who will be working the Circuit City account, as well as the name of your department manager. If you have a change of address or fax number, please contact your Circuit City account representative immediately by faxing them a notice on company letterhead.

5.2 Statements

Circuit City requires a complete monthly statement listing that includes all invoices, chargebacks, unmatched deductions, credits, and unapplied cash by the 15th of the following month. Electronic format (MS Excel) is preferred. All items listed, including chargebacks for discrepancies, should include a Circuit City reference number for identification purposes. Circuit City expects that all items will be aged appropriately to the original transaction date. Circuit City makes every effort to maintain minimal balances in excess of 90 days. Statements for products other than merchandise inventory (such as service parts) should be sent separately to the appropriate Circuit City department.

If at any time the vendor is in a debit balance with Circuit City for more than 30 days, Circuit City expects immediate payment from the vendor to resolve the balance.

5.3 Invoicing

Circuit City supports three different methods of vendor payment: Check, Wire Transfer and Letter of Credit (L/C). In order to ensure accurate and speedy payment, it is essential that vendors issue invoices containing all of the data elements prescribed in the Appendix. Additionally, vendors shall adhere to the following invoice requirements:

- Only one PO per commercial invoice
- Invoice number can not exceed 15 characters
- Invoice must be in English (including all attachments)
- All financial transactions are in US currency
- All invoices and invoice numbers submitted for payment must match the original invoice submitted with cargo to Freight Forwarder.
- Invoice must state sold to party as:

Circuit City Stores, Inc.
9954 Mayland Drive
Richmond, VA 23233
USA

Circuit City Stores, Inc.



5.4 Invoice Discrepancies

If Circuit City identifies an invoice discrepancy, it will pay the invoice in full, and charge back the discrepancy on a Debit Memo. The Debit Memo is issued to the vendor via facsimile, and provides specific details explaining the discrepancy. The Debit Memo number is usually the invoice number plus a suffix as follows:

Suffix	Explanation
CP	Pricing Chargeback
PP	Price Protection
CS	Quantity Shortage
MD	Model Discrepancy
PO	Quantity Discrepancy for Product Shipped Outside the Freight Conversion Program
CD	Damaged Product
Suffix + R	Repayment of a Debit Memo

To dispute a pricing chargeback (CP, PP), notify your account representative and send a signed copy of the appropriate pricing agreement to Merchandise Payables within 30 days of the Debit Memo. (Note: Invoices transmitted by the vendor with a lower cost than the PO will be paid at the lower cost. No Debit Memo will be issued.)

To dispute an invoice quantity shortage (CS), notify your account representative and send a proof of delivery (POD) signed in full by a Circuit City associate or an authorized employee of our Freight Forwarder, along with the Packing List and all supporting documentation to Merchandise Payables within 30 days of the Debit Memo.

Circuit City may require additional documentation and PODs to eliminate the possibility of mismatched receipts. Circuit City reserves the right to research the documentation before paying the invoice in question.

Repayment of Debit Memo discrepancies will appear on the check remittance with the original debit memo number plus the suffix, R. (Note: Vendors will see the DR code for internally resolved quantity Debit Memos.)

Post Audit

A regular review of all Circuit City vendors is completed on a periodic basis. The purpose of the review is to identify overpayments and/or under-deductions. When a claim is identified, an Audit Charge Back is prepared and forwarded to the vendor's attention with all applicable documentation. Unless the vendor proves to Circuit City that the charge back is not proper, after 30 days, Circuit City will deduct the amount due from the next remittance and consider the matter closed from our account. The deduction on the remittance will appear with the prefix MPA.

Any questions or requests for additional information should be made to 804-527-4000 ext. 8471.



5.5 Payment by Check

Circuit City's standard method of payment is by check. Below are the process steps the vendor is expected to follow to ensure a timely and effective payment process using the check method of payment:

1. Vendor (or authorized logistics service provider) ships goods to Freight Forwarder and obtains delivery receipt from Freight Forwarder.
2. Vendor contacts Freight Forwarder and obtains number for the Forwarder Cargo Receipt (FCR).
3. Vendor delivers Commercial Invoice, Packing List and all other U.S. Customs required documents no later than 3 days after ship sets sail to Freight Forwarder with SDR.
4. Freight Forwarder issues FCR to vendor.
5. Vendor sends Commercial Invoice, Packing List and FCR to Circuit City Merchandise Payables department via overnight courier.
6. If the invoice matches the PO and receiving information, Circuit City will authorize payment and cut the check for payment according to agreed payment terms and conditions.

5.6 Payment by Wire Transfer

Wire payment is not Circuit City's preferred method of payment and requires pre-approval from Circuit City, unless specifically provided in the master agreement or other contract between Circuit City and the vendor. Below are the process steps to effect payment by wire transfer:

Upon Circuit City approval of wire transfer payment, vendor should provide the appropriate wiring instructions to Circuit City. These instructions should include: vendor (beneficiary) number, vendor (beneficiary) name, vendor (beneficiary) address, vendor bank name and address (beneficiary's bank), vendor bank ABA Number (9 digit), vendor bank account number, reference text.

1. Vendor (or authorized logistics service provider) ships goods to Freight Forwarder and obtains delivery receipt.
2. Vendor contacts Freight Forwarder and obtains number of Forwarder Cargo Receipt (FCR).
3. Vendor sends Commercial Invoice, Packing List and all other documents required by U.S. Customs no later than 3 days after vessel sail date to Freight Forwarder with SDR.
4. Freight Forwarder issues FCR to vendor.
5. Vendor sends Accounting Document Package to Circuit City Stores, Inc. Merchandise Payables by overnight courier as below:
 - Commercial Invoice
 - Packing List
 - FCR (SIGNED)



Please refer to the "Invoice Discrepancy" in Section 4.4 for a detailed description of the applicable process in case of any invoice mismatches.

Note that wire transfer payment involves additional transaction fees that are to be paid by the beneficiary. Circuit City will be deducting this fee from each wire transfer. Below is a list of the fees involved:

Domestic Non-repetitive wire fee	\$ 5 US\$
Domestic Repetitive wire fee	\$ 5 US\$
International Non-repetitive wire fee	\$ 20 US\$

5.7 Payment by Letter of Credit

Letter of credit (L/C) payment is not Circuit City's preferred method of payment, as it requires more time and resources for both the vendor and Circuit City. L/C payment requires pre-approval from Circuit City, unless specifically provided in the master agreement or other contract between Circuit City and the vendor. Each of the steps and documentation requirements set forth below need to be followed explicitly in order to facilitate payment by L/C:

1. Upon approval of L/C payment, vendor should provide a pro forma invoice which includes the name and address of its advising bank to Circuit City.
2. Circuit City will apply for a L/C with its bank.
3. Vendor (or authorized logistics service provider) ships goods to Freight Forwarder and obtains delivery receipt.
4. Vendor contacts Freight Forwarder and obtains number for a Forwarder Cargo Receipt (FCR).
5. Vendor prepares Commercial Invoice, Packing list and all other documents required by U.S. Customs, and sends to Freight Forwarder with SDR.
6. Freight Forwarder issues FCR to vendor.
7. Vendor presents all L/C required documents to advising bank as documented on the L/C. The vendor may be required to present one or multiple documents listed below:
 - Commercial Invoice
 - FCR
 - Packing List
 - Declaration of origin
 - Inspection Certificate, if required
 - FCC Form 740 (for goods such as FM radios, telephones, wireless toys, walkie-talkies, etc)
 - FDA Report (for goods that are specifically designed for contact with body such as massagers, electric razors, electric toothbrushes, etc)
 - Any other documentation required by other government agencies